

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2002-301-C - ORDER NO. 2002-803  
NOVEMBER 22, 2002

IN RE: Application of Winstar Communications, ) ORDER GRANTING  
LLC for Approval of Alternative Regulation ) ALTERNATIVE AND  
of its Interexchange Business Services and for ) FLEXIBLE  
Flexible Regulation of its Local Exchange ) REGULATION  
Services.

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Winstar Communications, LLC (Winstar or the Company) for approval of alternative regulation of its interexchange business services as was first approved by the Commission in Orders No. 95-1734 and 96-55, Docket No. 95-661-C, and modified by Order No. 2001-997, and flexible regulation of its local exchange services first approved by the Commission in Order No. 98-165, Docket 97-467-C. The certificate of public convenience and necessity under which Winstar is authorized to provide telecommunications services within South Carolina was issued pursuant to Order No. 2002-236 (March 29, 2002), Docket No. 2002-11-C.

Pursuant to the instructions of the Commission's Executive Director, the matter was published in the Commission's subscription service. No Protests or Petitions to Intervene were received. We will therefore proceed to dispose of the matter summarily.

We have examined the Application, and hold that the relief requested should be granted as filed. Accordingly, the operations of Winstar shall be regulated under modified

alternative regulation in accordance with the principles and procedures established in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 and under flexible regulation in accordance with the principles and procedures established in Order No. 98-165 in Docket No. 97-467-C.

Under the Commission approved modified alternative regulation, the business service offerings of Winstar, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Winstar also.

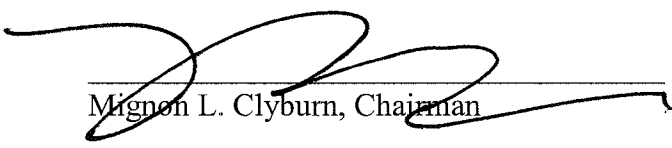
Winstar's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for Winstar's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Winstar's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

ATTEST:

  
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Gary E. Walsh, Executive Director

  
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Mignon L. Clyburn, Chairman

(SEAL)